

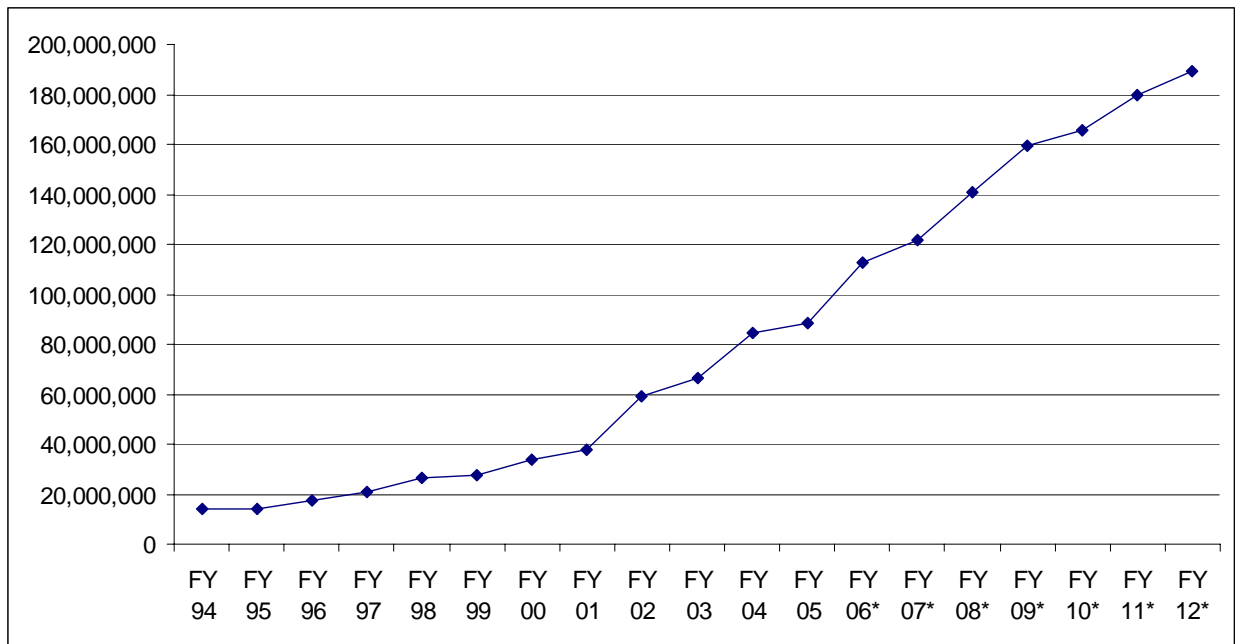
4. Debt & Debt Service

Notes

Debt Service

The County's debt service has been on a significant increasing trend due primarily to the County's financing of public school building construction. The growth in the amount of debt service in recent years has been much higher than the population growth rate. The budgeted debt service for FY 07 is 7.6% more than FY 06. Debt service will continue to increase significantly through FY 12 due to the continuing issuance of debt.

**Debt Service - Adopted Budget
FY 1994 - FY 2012**



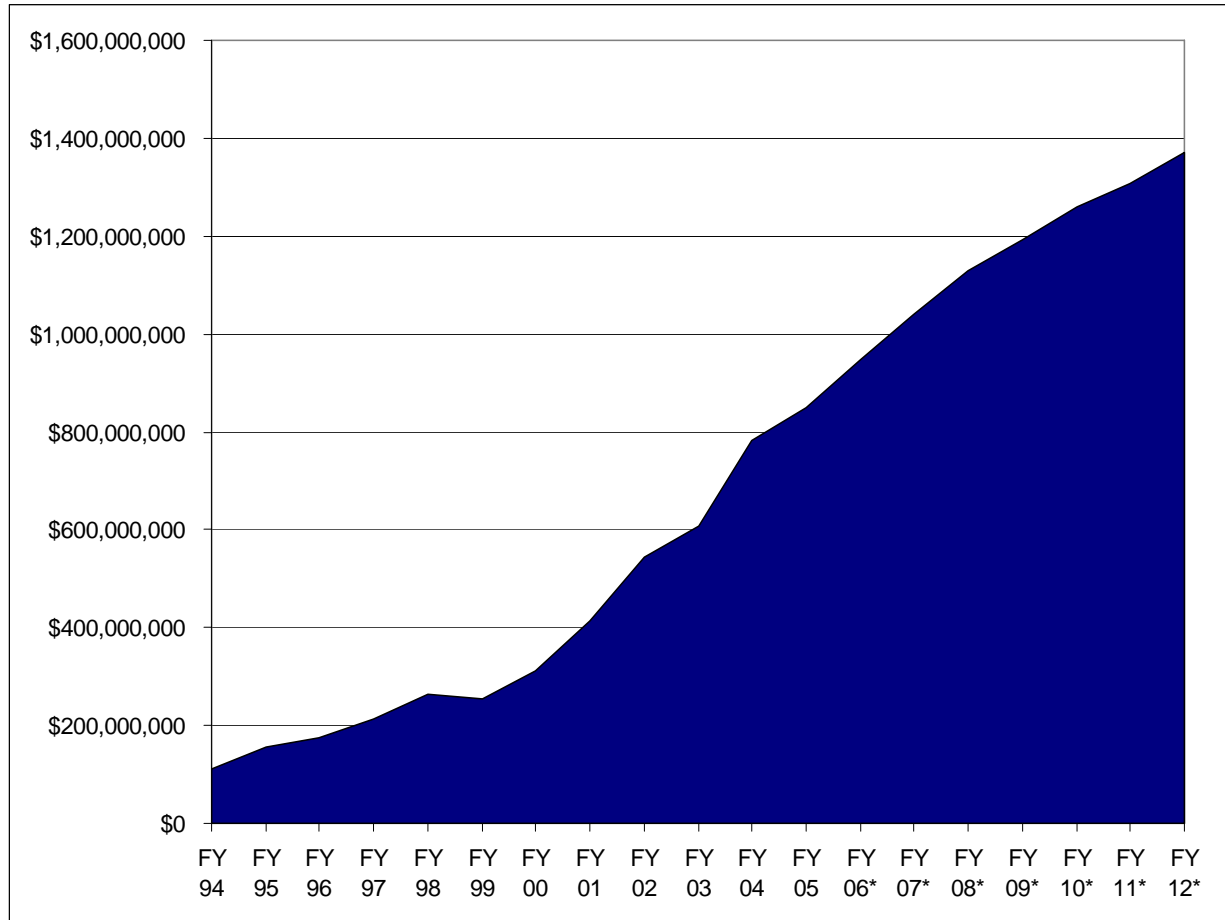
*Projection

Source: Debt Service section of Adopted Budget Document

Net Debt Outstanding

The County continues to take on more debt to finance infrastructure improvements and construct new schools in response to capital resource demands created by the County's growing population. The budgeted amount of FY 07 outstanding debt is 9.8% higher than the FY 06 amount. The County's outstanding debt will continue to increase steadily through FY 12 due to the effects of continued School construction needs.

Total Net Bonded Debt - Adopted Budget FY 1994 - FY 2012

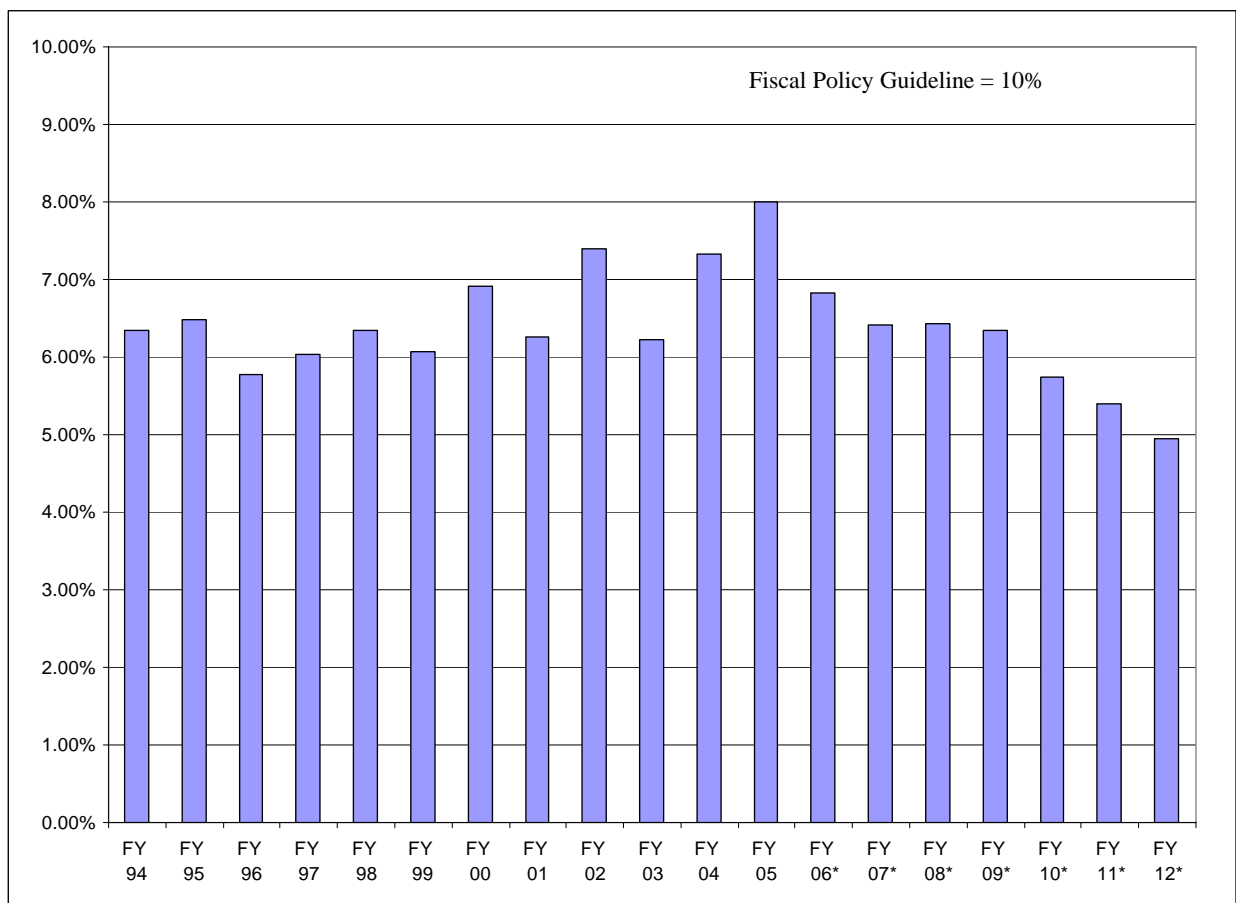


**Note: The FY 07 – FY 12 projections are per the Capital Improvement Program (Debt Financing - Impact on Future Debt Ratios Table).*

Debt Service as a Percentage of Expenditures

From FY 94 through FY 01, the ratio of debt service to total expenditures remained relatively stable since total expenditures increased in concert with debt service. Based on the Adopted Capital Improvement Program, debt service as a percentage of expenditures is projected to peak at 8.0% in FY 05, below the current Fiscal Policy debt limit guideline of 10%. Beginning in FY 06, debt service as a percentage of expenditures will gradually decline due to the implementation of the County's annual debt issuance cap guideline.

Debt Service Expenditures as a Percentage of Total Expenditures Adopted Budget FY 1994 - FY 2012



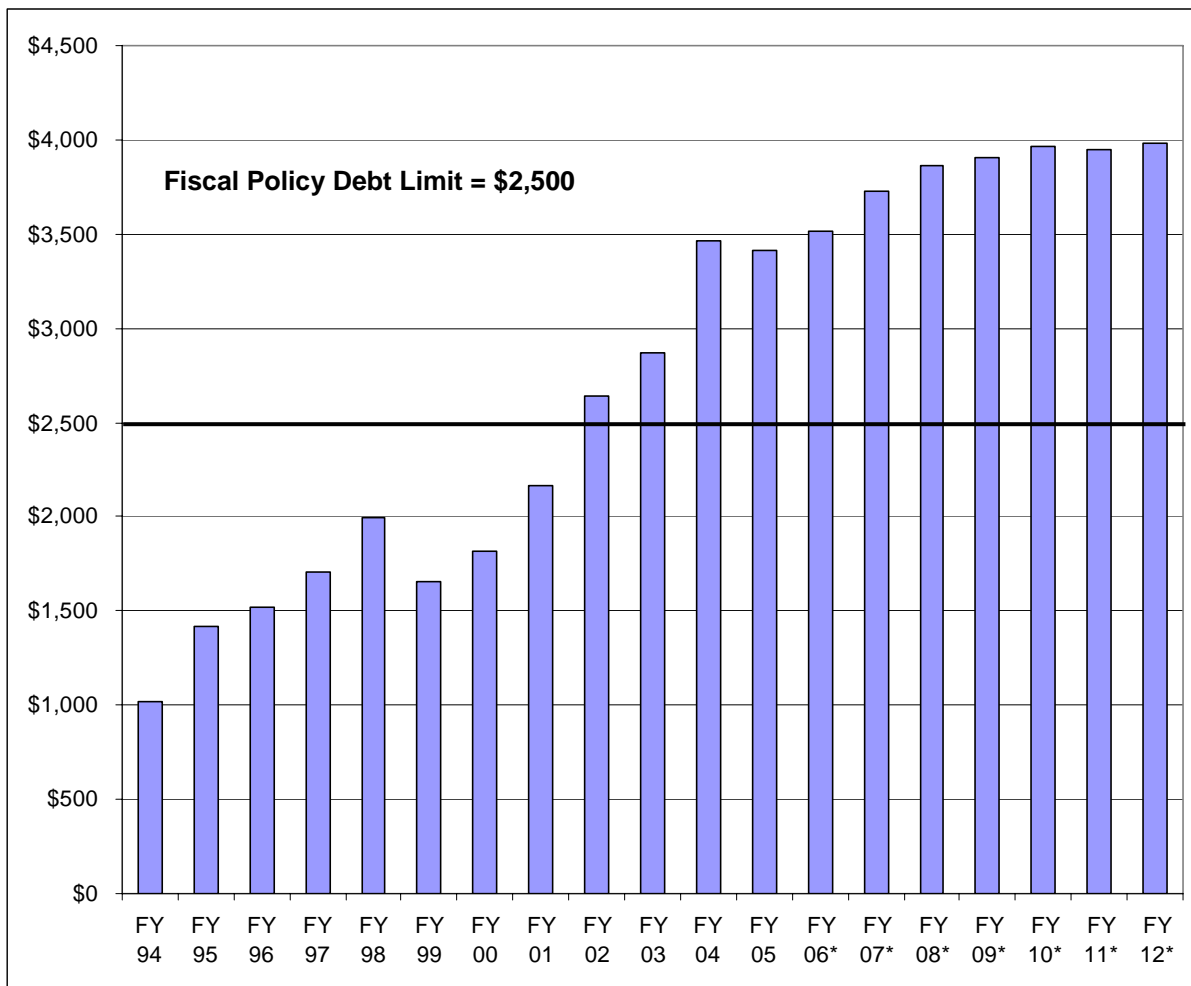
*Projection

Source: Debt Service section of Adopted Budget Document

Debt Per Capita

Throughout the last decade, per capita debt has increased as the County has begun to experience greater population growth. The driving factor has been the unprecedented increases in school age children, which has resulted in growing demand for new school construction. Based on the Adopted Capital Improvement Program, the debt per capita amounts for FY 07 through FY 12 are projected to exceed the current fiscal policy debt limit guideline of \$2,500. The debt per capita is projected to remain between \$3,900 and \$4,000 in the final four years of the CIP (FY 09-12).

Net Bonded Debt per Capita FY 1994 - FY 2012



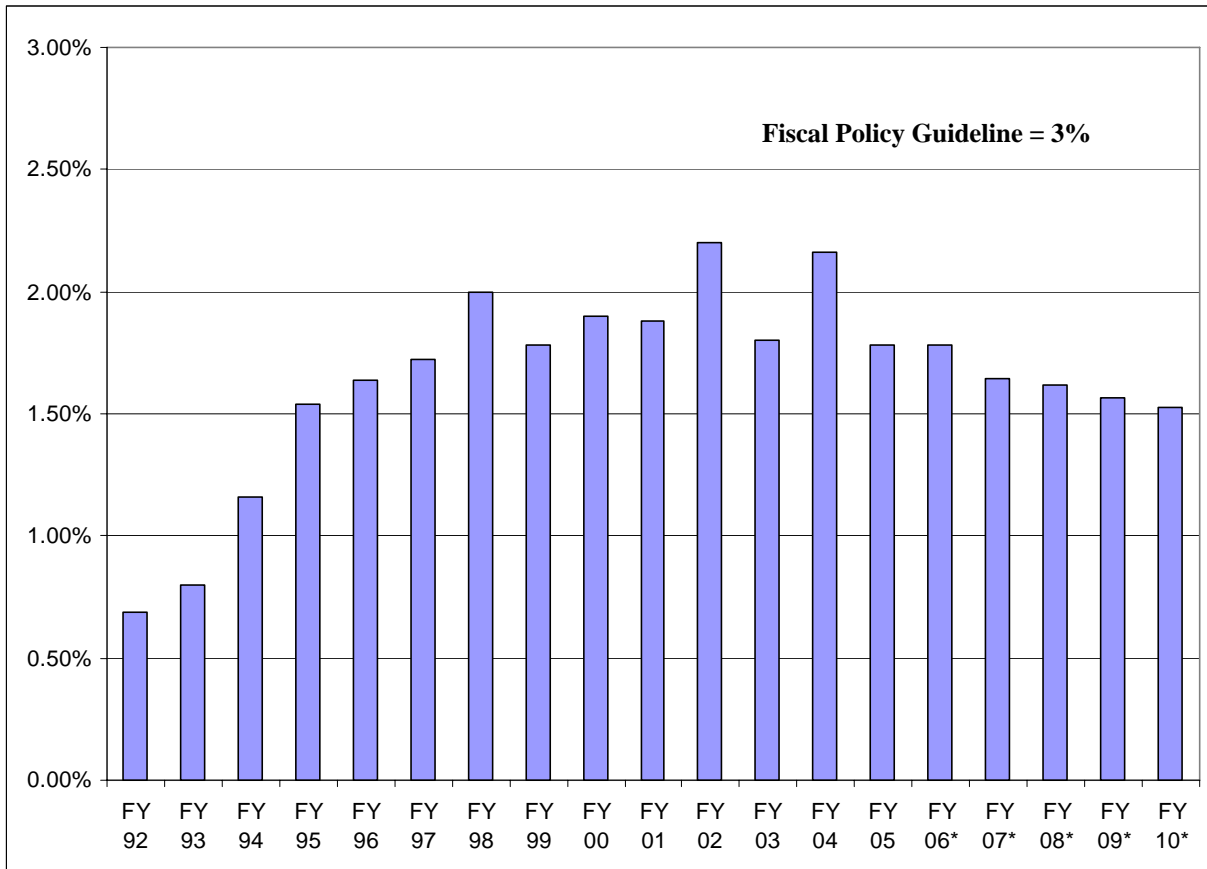
*Projection

Source: Comprehensive Annual Financial Report; Capital Improvements Program (Impact on Future Debt Ratios Table)

Net Debt as a Percentage of Assessed Value

The ratio of outstanding net debt to assessed value of all property in the County rose sharply in the 1990's, and is projected to gradually decrease as the County attempts to limit its annual debt expenditures. The FY 07 ratio, 1.65%, is well below the fiscal policy debt limit guideline of 3.0% and is projected to decline from FY 07 through FY 12.

**Total Net Debt as a Percentage of Total Assessed Value - Adopted Budget
FY 1994 - FY 2012**



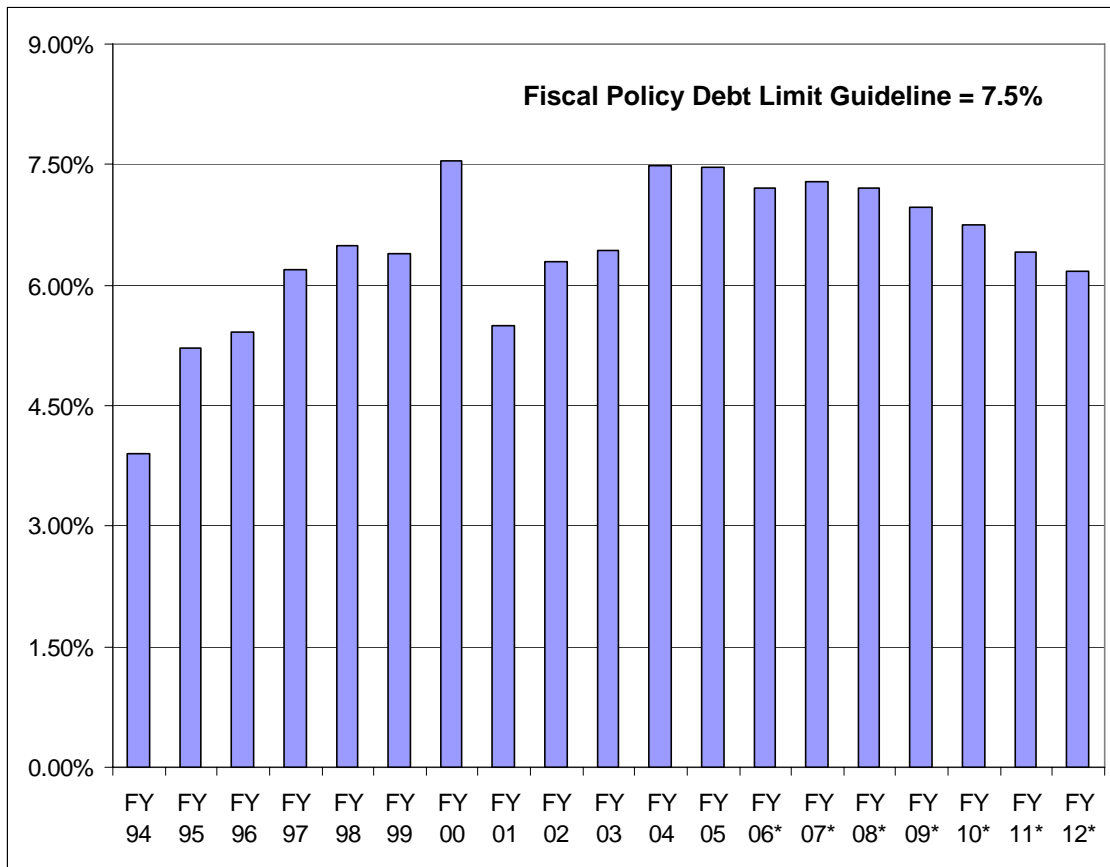
* Projection

Source: Capital Improvement Program (Impact on Future Debt Ratios Table)

Net Debt Per Capita as a Percentage of Per Capita Income

The ratio of debt per capita to per capita income remains intact over the FY 07 – FY 12 capital planning period. This ratio relates the County's debt capacity measure to ability to pay, or per capita income. The FY 07 ratio is projected to be 7.3%. Over the next several years, the ratio is projected to decline and remain below the fiscal policy debt limit guideline.

**Net Debt Per Capita as a Percentage of Per Capita Income
FY 1994 – FY 2012**



* Projection

Source: Capital Improvement Program (Impact on Future Debt Ratios Table)

Major Private Employers in Loudoun County

The following is a listing of the largest corporate employers in the County as of Second Quarter 2005.

Private employers in Loudoun County with 500 or more employees:

5,000+ Employees

America Online Inc.

1,000-4,999 Employees

Loudoun Hospital Center

Toll Brothers, Inc.

United Airlines Inc.

Verizon Business (formerly MCI, Inc.)

500-999 Employees

Air Line Pilots Association

Benchmark Conference Resorts, Inc. (Lansdowne Resort)

Costco Wholesale

Dobbs International Service

God Bless America, Inc.

Home Depot USA, Inc.

Orbital Sciences Corporation

Swissport USA, Inc.

Target Corporation

Wal-Mart Associates, Inc.

Wegman's Food Markets, Inc.

Source: Loudoun County Department of Economic Development

Notes
